

Exhibit No. ____ (CTM-5)
Docket UE-130617
Witness: Christopher T. Mickelson

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET UE-130617

TESTIMONY OF

CHRISTOPHER T. MICKELSON

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Electric Revenue Allocation and Rate Design

August 14, 2013

| Puget Sound Energy | | | | | | | | | |
|---|----------------------------|-----------|---|--|--|---|------------------------|---------|-----------|
| Statement of Proforma and Proposed Revenues for Schedule 95 | | | | | | | | | |
| Line No. | CUSTOMER CLASS | SCHEDULE | Delivered kWh Test Year Ending September 2012 | Delivered Revenue Test Year Ending September 2012 (Note 1) | Proposed Schedule 95 ¢ per kWh Effective December 2013 | REVENUE (Including Proposed Sch 95 Revenue Effective December 2013) | INCREASE (DECREASE) \$ | % | f = e / b |
| | | | | | | | | | |
| 1 | Residential | 7 | 10,581,276,029 | \$ 1,105,364,130 | -0.0794 ¢ | \$ 1,096,962,596 | \$ (8,401,533) | -0.760% | |
| 2 | | | | | | | | | |
| 3 | Sec Gen Svc - Small | 24 | 2,583,982,507 | \$ 253,561,149 | -0.0737 ¢ | \$ 251,656,754 | \$ (1,904,395) | -0.751% | |
| 4 | Sec Gen Svc - Medium | 25 & 7A | 2,922,170,227 | \$ 265,427,088 | -0.0719 ¢ | \$ 263,326,047 | \$ (2,101,040) | -0.792% | |
| 5 | Sec Gen Svc - Large | 26 & 26P | 1,923,430,361 | \$ 159,630,082 | -0.0736 ¢ | \$ 158,214,437 | \$ (1,415,645) | -0.887% | |
| 6 | Sec Irrigation Svc | 29 | 14,359,250 | \$ 1,216,605 | -0.0664 ¢ | \$ 1,207,070 | \$ (9,535) | -0.784% | |
| 7 | | | | | | | | | |
| 8 | Secondary Service Total | | 7,443,942,345 | \$ 679,834,923 | -0.0730 ¢ | \$ 674,404,308 | \$ (5,430,615) | -0.799% | |
| 9 | | | | | | | | | |
| 10 | Pri Gen Svc | 31 | 1,287,205,041 | \$ 105,669,831 | -0.0689 ¢ | \$ 104,782,947 | \$ (886,884) | -0.839% | |
| 11 | Pri Irrigation Svc | 35 | 4,065,391 | \$ 234,868 | -0.0662 ¢ | \$ 232,176 | \$ (2,691) | -1.146% | |
| 12 | Pri Interruptible Svc | 43 | 133,790,964 | \$ 11,959,457 | -0.0644 ¢ | \$ 11,873,296 | \$ (86,161) | -0.720% | |
| 13 | Pri Transportation | 449 / 459 | 114,649,300 | \$ 954,643 | 0.0000 ¢ | \$ 954,643 | \$ - | 0.000% | |
| 14 | | | | | | | | | |
| 15 | Primary Service Total | | 1,539,710,696 | \$ 118,818,799 | -0.0634 ¢ | \$ 117,843,062 | \$ (975,737) | -0.821% | |
| 16 | | | | | | | | | |
| 17 | Campus Rate Total | 40 | 727,520,562 | \$ 51,509,622 | -0.0714 ¢ | \$ 50,990,173 | \$ (519,450) | -1.008% | |
| 18 | | | | | | | | | |
| 19 | HV Interruptible Svc | 46 | 46,703,330 | \$ 3,192,534 | -0.0638 ¢ | \$ 3,162,737 | \$ (29,797) | -0.933% | |
| 20 | HV Gen Svc | 49 | 601,333,794 | \$ 39,210,370 | -0.0587 ¢ | \$ 38,857,387 | \$ (352,983) | -0.900% | |
| 21 | HV Transportation | 449 / 459 | 1,822,749,987 | \$ 6,415,311 | 0.0000 ¢ | \$ 6,415,311 | \$ - | 0.000% | |
| 22 | | | | | | | | | |
| 23 | High Voltage Service Total | | 2,470,787,110 | \$ 48,818,215 | -0.0155 ¢ | \$ 48,435,435 | \$ (382,780) | -0.784% | |
| 24 | | | | | | | | | |
| 25 | Lights | | 82,198,395 | \$ 18,022,739 | | \$ 18,022,739 | \$ (2,119) | -0.012% | |
| 26 | | | | | | | | | |
| 27 | Subtotal | | 22,845,435,138 | \$ 2,022,368,427 | -0.0688 ¢ | \$ 2,006,658,313 | \$ (15,712,234) | -0.777% | |
| 28 | | | | | | | | | |
| 29 | Firm Resale | | 7,544,580 | \$ 343,678 | -0.0721 ¢ | \$ 338,238 | \$ (5,440) | -1.583% | |
| 30 | | | | | | | | | |
| 31 | Total | | 22,852,979,718 | \$ 2,022,712,105 | -0.0755 ¢ | \$ 2,006,996,552 | \$ (15,717,673) | -0.777% | |

Note 1 - Proforma Base Revenue Excludes Revenue Rider Schedules 95A, 120, 129, 132, 133, 137 & 194

Testimony of Christopher T. Mickelson
Docket UE-130617 et al

**Puget Sound Energy
Calculation of Schedule 95 Rate**

| Line No. | Customer Class | Rate Schedule | Docket No. UE-111048 | | 81% Energy Allocator (Note 1) | Docket No. UE-111048 Demand Allocator (Note 3) | 19% Demand (Note 2) | Weighted Allocation (e = b + d) | 2013 Revenue Requirement (f) | Delivered kWh Test Year Ending September 2012 (h) | Proposed Schedule 95 ¢ per kWh Effective December 2013 (i = g/h * 100) |
|----------|---|---------------|----------------------|-----------|-------------------------------|--|---------------------|---------------------------------|------------------------------|---|--|
| | | | a | c | | | | | | | |
| 1 | Residential | 7 | 11,660,620,432 | 2,556,735 | 0.413419 | 0.119092 | 0.532510 | \$ (8,400,417) | 10,581,276,029 | -0.0794 ¢ | |
| 2 | Sec Gen Svc - Small | 24 | 2,822,861,364 | 443,234 | 0.100082 | 0.020646 | 0.120728 | \$ (1,904,501) | 2,583,982,507 | -0.0737 ¢ | |
| 3 | Sec Gen Svc - Medium | 25 & 7A | 3,169,146,063 | 449,014 | 0.112360 | 0.020915 | 0.133275 | \$ (2,102,424) | 2,922,170,227 | -0.0719 ¢ | |
| 4 | Sec Gen Svc - Large | 26 & 26P | 2,157,691,595 | 284,128 | 0.076499 | 0.013235 | 0.089734 | \$ (1,415,564) | 1,923,430,361 | -0.0736 ¢ | |
| 5 | Sec Irrigation Svc | 29 | 15,687,149 | 1,036 | 0.000556 | 0.000048 | 0.000604 | \$ (9,535) | 14,359,250 | -0.0664 ¢ | |
| 6 | Pri Gen Svc | 31 | 1,367,953,304 | 165,976 | 0.048500 | 0.007731 | 0.056231 | \$ (887,049) | 1,287,205,041 | -0.0689 ¢ | |
| 7 | Pri Irrigation Svc | 35 | 4,806,559 | 4 | 0.000170 | 0.000000 | 0.000171 | \$ (2,691) | 4,065,391 | -0.0662 ¢ | |
| 8 | Pri Interruptible Svc | 43 | 154,110,146 | - | 0.005464 | - | 0.005464 | \$ (86,193) | 133,790,964 | -0.0644 ¢ | |
| 10 | Campus Rate - Primary & Secondary Voltage | 40 | 801,873,373 | 96,820 | 0.028430 | 0.004510 | 0.032940 | \$ (519,627) | 727,520,562 | -0.0714 ¢ | |
| 12 | Campus Rate - High Voltage | 40 | - | - | - | - | - | - | - | -0.0587 ¢ | |
| 13 | High Voltage Interruptible | 46 | 53,295,879 | - | 0.001890 | - | 0.001890 | \$ (29,808) | 46,703,330 | -0.0638 ¢ | |
| 15 | High Voltage General Service | 49 | 539,784,441 | 69,540 | 0.019138 | 0.003239 | 0.022377 | \$ (352,997) | 601,333,794 | -0.0587 ¢ | |
| 16 | Lights | 50-59 | 90,893,526 | 10,941 | 0.003223 | 0.000510 | 0.003732 | \$ (58,876) | 82,198,395 | -0.0716 ¢ | |
| 17 | Firm Resale | | 7,606,107 | 1,617 | 0.000270 | 0.000075 | 0.000345 | \$ (5,442) | 7,544,580 | -0.0721 ¢ | |
| 19 | Subtotal | | 22,846,329,938 | 4,079,044 | 0.810000 | 0.190000 | 1.000000 | \$(15,775,123) | 20,915,580,431 | -0.0754 ¢ | |
| 22 | Transportation Primary Voltage | 449 / 459 | - | - | - | - | - | - | 114,649,300 | | |
| 23 | Transportation High Voltage | 449 / 459 | - | - | - | - | - | - | 1,822,749,987 | | |
| 25 | Total | | 22,846,329,938 | 4,079,044 | | | | | 22,852,979,718 | | |

Note 1 Source: Docket No. UE-111048 Compliance Cost of Service Workpapers, pages 37 & 47, "Energy 2" Allocator
 Note 2 Source: Docket No. UE-111048 Compliance Cost of Service Workpapers, pages 4 & 21, "Peak Credit %" Allocator
 Note 3 Source: Docket No. UE-111048 Compliance Cost of Service Workpapers, pages 37-41, "DEM-2B" Allocator

**Puget Sound Energy
Residential Customer Impacts**

| Month | kWh | Customer Bill | | | % Difference |
|-----------------|--------|---------------|-------------|---------------|--------------|
| | | Present | Proposed | \$ Difference | |
| January | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| February | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| March | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| April | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| May | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| June | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| July | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| August | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| September | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| October | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| November | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| December | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| Annual Total | 12,000 | \$ 1,164.96 | \$ 1,155.48 | \$ (9.48) | -0.81% |
| Monthly Average | 1,000 | \$ 97.08 | \$ 96.29 | \$ (0.79) | -0.81% |
| Average Cents | | 9.71 | 9.63 | | |

| Rates | Current Rates 2-1-13 | Proposed Rates Effective December 2013 | |
|---|-------------------------|--|-----------|
| Customer Monthly Charge: | \$ 7.49 | \$ 7.49 | per Month |
| Energy Charge: | | | |
| Schedule 7 first 600 kWh | 8.7817 | 8.7817 | ¢ / kWh |
| Schedule 7 over 600 kWh | 10.6395 | 10.6395 | ¢ / kWh |
| Schedule 95 - Power Cost Adjustment Clause | - | (0.0794) | ¢ / kWh |
| Schedule 95A - Federal Incentive Tracker Credit | (0.3323) | (0.3323) | ¢ / kWh |
| Schedule 120 - Conservation Rider | 0.4359 | 0.4359 | ¢ / kWh |
| Schedule 129 - Low Income | 0.0777 | 0.0777 | ¢ / kWh |
| Schedule 132 Merger Credit | (0.0335) | (0.0335) | ¢ / kWh |
| Schedule 133 Regulatory Asset Tracker | - | - | ¢ / kWh |
| Schedule 137 REC | (0.0348) | (0.0348) | ¢ / kWh |
| Schedule 194 - BPA Exchange Credit | (0.6785) | (0.6785) | ¢ / kWh |